

NATIONAL DAIRY MARKET AT A GLANCE

At the Chicago Mercantile Exchange (CME), all grades of bulk butter are unchanged: Grade AA is \$1.3450; Grade A, \$1.2500; and Grade B, \$1.2400. Also at the CME, barrel cheese is unchanged at \$1.2600 with 40# blocks declining 5 cents to \$1.3000.

According to ERS and AMS, commercial disappearance of dairy products during the period November 1997 - January 1998 totaled 38.5 million pounds, 0.6% less than the comparable 96/97 period. Comparing disappearance levels with the same period a year ago: butter is -13.8%; American Cheese and fluid milk products, -0.6%; nonfat dry milk, -17.5%; and other cheese, +4.3%. Revised calendar year 1997 figures indicate commercial disappearance totals 156.5 million pounds, 1.2% higher than 1996.

According to NASS, the index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in March 1998 declined 1 point to 115. Compared with March 1997, the index was down 2 points (1.7%). The index of prices received by farmers for dairy products declined 2 points during the month of March 1998 to 111. Compared with March 1997, the index was up 8 points (7.8%). On a 3.5% butterfat basis, prices received by farmers in March with changes from February were: for All Milk, \$14.24, down 14 cents; Fluid Grade Milk, \$14.24, down 24 cents; and for Manufacturing Grade Milk, \$12.78, down 26 cents.

According to NASS, butter production was 102.7 million pounds in February, 5.1% below February 1997 and 9.5% below January 1998. American type cheese production totaled 259.8 million pounds, 2.6% below a year ago and 8.3% below January 1998. Total cheese output (excluding cottage cheese) was 573.7 million pounds, 0.2% below last February and 6.8% below a month ago. Human food, nonfat dry milk production totaled 96.4 million pounds, 4.8% above February 1997 but 7.0% below January 1998. Dry whey production, for human food, was 88.8 million pounds, 8.5% above February 1997 but 6.5% below January 1998.

As seasonal milk production grows throughout most areas of the U.S., milk volumes are excessive of bottling needs, thus diversions to manufacturing are heavy. In many areas, the surplus volumes are being enhanced by schools on spring/Easter break. In Florida and areas of the Deep South, some milk handlers are indicating that milk output is declining from seasonal peak levels. Others feel that this is not the case and peak production is still 1 - 3 weeks away. Elsewhere, weather conditions have been quite favorable for steady production growth.

The DEIP program continues to proceed toward its June 30 program year end. The whole milk allocation of 7,487 MT has been filled with cheese nearly 90% filled and butterfat about 45% filled. On April 8, FAS accepted, for all intents and purposes, the last NDM bid under the current DEIP allocation program. There is one metric ton left to be filled.

Dry dairy product markets are much the same as past weeks. NDM prices continue to hold, but there are instances of fractionally lower offering prices. In some areas, stocks are excessive to the point that offering of surplus powder are clearing to the CCC from the Midwest and West. Buttermilk powder markets are mixed. Stock levels vary depending of sales activity, prices, and drying schedules. Some producers experienced price resistance and had to lower prices to keep stocks moving. In the Midwest, buying interest remains light, but producers anticipate increased demand as the ice cream season resumes.

During the week of April 6 - 10, CCC purchased 1,849,240 pounds of NDM under the price support program.

\*\*\*\*SPECIAL THIS ISSUE\*\*\*\*

COMMERCIAL DISAPPEARANCE (PAGE 2)

MARCH AGRICULTURAL PRICES HIGHLIGHTS (PAGE 7)

FEBRUARY DAIRY PRODUCTS HIGHLIGHTS (PAGE 8)

FEDERAL MILK ORDER MINIMUM CLASS PRICE HIGHLIGHTS (PAGES 9 - 10)

MINIMUM FEDERAL ORDER & ANNOUNCED COOP CLASS I PRICES (PAGE 11)

DAIRY GRAPHS (PAGE 12)

BUTTER MARKETSCHICAGO WHOLESALE

Dollars per pound, trucklot, bulk in fiber boxes, delivered metropolitan area, prices include CCC purchase price whenever bulk butter is moving to CCC from the Midwest area.

GRADE	APRIL 7	APRIL 9	APRIL 10
AA	\$1.3350 - 1.3450	\$1.3350 - 1.3450	\$1.3350 - 1.3450
A	\$1.2400 - 1.2500	\$1.2400 - 1.2500	\$1.2400 - 1.2500

( ) Change from previous price.

**BUTTER HIGHLIGHTS:** In cash trading at the CME, all grades of butter are unchanged. Butter markets remain mixed. Buying interest for bulk and print butter slowed this week as most orders had been placed and shipped for upcoming holiday needs. Orders that did occur were being placed for fill-in needs. Stocks are reported to be readily available. Churning schedules are active although somewhat lighter as cream is less available. Butter producers anticipate cream volumes to become more available and churning schedules to increase.

CHICAGO MERCANTILE EXCHANGEBUTTER TRANSACTIONS ON THURSDAY, APRIL 9, 1998

(CARLOT UNIT = 40,000 - 42,000 LBS.)

GRADE	PRICE CHANGE	LAST SIGNIFICANT TRANSACTION - LST
AA	N.C.	\$1.3450 : SALE 03/27/98
A	N.C.	\$1.2500 : BID 03/20/98
B	N.C.	\$1.2400 : BID 03/13/98

SALES: NONE

BIDS UNFILLED: 3 CARS GRADE AA @ \$1.2000  
1 CAR GRADE A @ \$1.1700

OFFERS UNCOVERED: NONE

CHEESE MARKETSWISCONSIN ASSEMBLY POINTS

Dollars per pound, standard moisture basis (37.8-39.0%), carlot/trucklot, F.O.B. plants or storage centers, prices include CCC purchase price whenever cheese is moving to CCC from the Midwest area.

CHEDDAR STYLES	APRIL 6 - 10, 1998
BARRELS*	\$1.2500 - 1.2800 (NOMINAL) (-.0175) (-.0175)
40# BLOCKS	\$1.3400 - 1.3800 (NOMINAL)

( ) Change from previous week. \* If steel, barrel returned.

**CHEESE HIGHLIGHTS:** The cheese market is unsettled to weak. At the Chicago Mercantile Exchange, barrels were unchanged at \$1.2600 and 40 pound blocks declined 5 cents to \$1.3000 in moderately active trading. Demand is often slow. Many firms operated on reduced schedules this week and buyers remain concerned with additional price weakness. American offerings are more than adequate. Cheese production is seasonally heavy with extra milk supplies available from bottlers during the spring holiday/vacation period.

CHEESE TRANSACTIONS ON THURSDAY, APRIL 9, 1998

(CARLOAD UNIT = 40,000-44,000 LBS.)

CHEDDAR STYLES	PRICE CHANGE	LAST SIGNIFICANT TRANSACTION
BARRELS	N.C.	\$1.2600 : SALE 04/09/98
40# BLOCKS	-.0500	\$1.3000 : SALE 04/09/98

SALES: 5 CARS BARRELS:  
2 @ \$1.2550, 2 @ \$1.2575, 1 @ \$1.2600 (LST)  
30 CARS 40# BLOCKS:  
18 @ \$1.3000, 2 @ \$1.2975, 1 @ \$1.3000,  
2 @ \$1.2975, 1 @ \$1.3000, 1 @ \$1.2975,  
1 @ \$1.3000, 1 @ \$1.2975, 1 @ \$1.3000,  
1 @ \$1.2975, 1 @ \$1.3000 (LST)

BIDS UNFILLED: NONE

OFFERS UNCOVERED: 5 CARS BARRELS: 4 @ \$1.2600, 1 @ \$1.2700  
3 CARS 40# BLOCKS: 2 @ \$1.3000, 1 @ \$1.3500

**COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS--NOV.-JAN. 1996/97, 1997/98 AND YEAR-TO-DATE 1996-97 <sup>1/</sup>**

Item	Nov.-Jan. 1996/97	Percent change <sup>4/</sup>	Nov.-Jan. 1997/98	Percent change <sup>4/</sup>	Jan.-Dec. 1996	Percent change <sup>4/</sup>	Jan.-Dec. 1997	Percent change <sup>4/</sup>
Million Pounds								
<b><u>MILK</u></b>								
Production	38,371	0.6	38,593	0.6	154,259	-1.0	156,603	1.8
Marketings	38,006	0.7	38,255	0.7	152,770	-1.0	155,226	1.9
Beginning Commercial Stocks <sup>2/</sup>	4,890	13.9	5,199	6.3	4,099	-3.8	4,704	14.8
Imports <sup>2/</sup>	869	7.2	813	-6.4	2,912	-0.9	2,696	-7.4
Total Supply <sup>3/</sup>	43,765	2.1	44,267	1.1	159,781	-1.1	162,626	2.1
Ending Commercial Stocks <sup>2/</sup>	5,042	6.1	5,306	5.2	4,704	14.8	4,869	3.5
Net Removals <sup>2/</sup>	44	41.9	496	1,027.3	87	-95.9	1,276	1,366.7
Commercial Disappearance <sup>3/</sup>	38,679	1.6	38,465	-0.6	154,990	-0.2	156,481	1.2
<b><u>SELECTED PRODUCTS <sup>5/</sup></u></b>								
Butter	329.1	-1.9	283.7	-13.8	1,179.6	-0.9	1,097.2	-6.7
American Cheese	824.2	6.3	819.6	-0.6	3,320.1	2.3	3,266.4	1.4
Other Cheese	1,079.7	2.2	1,125.6	4.3	4,243.0	2.6	4,390.4	3.7
Nonfat Dry Milk	228.6	-11.4	188.5	-17.5	1,009.0	8.9	884.8	-12.1
Fluid Milk Products <sup>6/</sup>	14,201.8	0.1	14,122.6	-0.6	55,565.0	1.0	55,386.3	0.0

<sup>1/</sup> Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. <sup>2/</sup> Milk-equivalent, milkfat basis. Calculated using slightly different factors than previously. Further changes may be made as technical parameters become available. <sup>3/</sup> Totals may not add because of rounding. <sup>4/</sup> From year earlier on a daily average basis. <sup>5/</sup> Commercial disappearance in product pounds. <sup>6/</sup> Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition. **SOURCE:** Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA. This information is now available through AutoFAX. To request a document, dial (202) 219-1107 and enter document number 11521 when prompted.

**PRINT BUTTER MARKETS - GRADE AA****NORTHEAST**

Prices and the market tone are unchanged. Butter production is often lighter in the East, but still moderate to heavy in other regions. Cream demand improved last week, but orders slowed late in the week and more cream was available to local churns. However, many contacts (including butter makers) anticipate lower butter prices and they are not anxious to take on too much cream at this time. Demand for butter is fair. Distributors are nervous about prices and are not too aggressive in their purchasing of bulk butter. Retail movement is fair to good, but most deliveries to retailers have been completed. Food service orders are fairly good. Typically, Easter Sunday is a big dining-out holiday.

WHOLESALE PRICES: MIN 25 BOXES  
DOLLARS PER POUND, DELIVERED EAST COAST CITIES

1/4 LB. PRINTS	:	1.5550-1.8025
1 LB. PRINTS	:	1.4700-1.6525
CHIPS/PATTIES	:	1.5325-1.7400
REDDIES	:	1.6075-1.8025
CONTINENTALS	:	1.6875-1.8625

**CENTRAL**

Print butter prices remain unchanged. The market tone is mixed, ranging steady to weak. Buying interest is lighter this week as heavier orders were placed and shipped last week. This week, orders that were placed were for immediate fill-in needs. Many buyers are hesitant to place too large of orders in anticipation of lower prices after the Easter/Passover holidays. Stocks of print butter are readily available for full needs. Churning schedules have been seasonally active, although lighter due to cream competition from Class II cream based products. Once the holiday is past, butter operations anticipate cream to become more available.

FOB CENTRAL STATES PLANTS: MIN 20,000 POUNDS, \$ PER POUND		
1/4 LB. PRINTS	:	1.4450-1.8525
1 LB. PRINTS	:	1.4100-1.5725
CHIPS/PATTIES	:	1.4350-1.6450
REDDIES	:	1.5200-1.7550
CONTINENTALS	:	1.6750-1.8650

**WEST**

Print butter prices are unchanged in the West. Orders are occasionally higher for fill-in needs, but most holiday orders were in stores by early in the week. Butter feature activity is not as active as in recent years mainly due to prices being high. Cream supplies are adequate to long for butter makers. Production continues to be moderate to seasonally active. February U.S. butter production totals 102.7 million pounds, down 5.1% from February 1997. February production in selected Western states compared to last year is as follows: California down 16.2%, Oregon down 4.3%, and Washington 29.5%.

WHOLESALE SELLING PRICES: DELIVERED WESTERN CITIES  
150 - 1000 POUNDS, DOLLARS PER POUND

1/4 LB. PRINTS	:	1.6250-1.6925
1 LB. PRINTS	:	1.5550-1.6200
PATTIES	:	1.5975-1.7625
REDDIES	:	1.7225-1.7400

FOB CALIFORNIA PLANTS - GRADE AA  
100 CASES AND UP, DOLLARS PER POUND

1/4 LB. PRINTS	:	1.3400-1.3900
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WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	:	CHEESE
04/06/98	10,806	:	113,458
04/01/98	9,869	:	112,654
CHANGE	+ 937	:	+ 804
% CHANGE	+ 9	:	+ 1

Based on the historical relationship of the preliminary U.S. Cold Storage report of Feb. 28, 1998 and the selected centers storage report, the expected U.S. holdings as of Apr. 1, 1998 are:

Butter	43 million pounds plus or minus 5.37 percent
Cheese	428 million pounds plus or minus 0.76 percent

**NASS CHEDDAR CHEESE PRICE SURVEY**

WEEK ENDING	40# BLOCKS		640# BLOCKS		BARRELS (adjusted to 39% moisture)		
	MN/WI	WEST	U.S.	U.S.	MN/WI	OTH STATES	U.S.
APRIL 3	1,3684	1,3334	1,3443	1,3766	1,2954	1,2654	1,2773
	1,194,530	3,908,043	5,399,137	651,557	3,722,923	5,588,204	9,311,127

Further data and revisions may be found on the Internet at: <http://usda.mannlib.cornell.edu/reports/nassr/price/cheddar/>

## CHEESE MARKETS

## NORTHEAST

Prices are often lower on process items; unchanged on Swiss and other natural styles. The market tone is cautiously steady. There is still market sentiment that prices will continue to fall as the spring flush approaches. Producers are not really anxious about taking additional loads of milk unless prices are attractive. Demand for cheese is slower now that most Easter and Passover orders have been delivered. Retail movement is just fair while food service orders have been improved.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.3975-1.8325
Cheddar Single Daisies	:	1.3675-1.8375
Cheddar 40# Block	:	1.4875-1.6475
Process 5# Loaf	:	1.4700-1.6250
Process 5# Sliced	:	1.4900-1.6550
Muenster	:	1.5300-1.9550
Grade A Swiss Cuts 10 - 14#	:	2.2500-2.5050

## MIDWEST

The cheese market is unsettled to weak. Many traders continue to have difficulty justifying current prices with the supply/demand situation. At the Chicago Mercantile Exchange on April 2, barrels declined 1.75 cents to \$1.2600 and 40# blocks were unchanged at \$1.3500. The nine cent block/barrel spread remains a cause for concern, particularly to barrel producers. Most processors and packagers are working on holiday abbreviated schedules having no difficulty in meeting orders. With various schools closed for spring breaks in recent weeks, normal buying patterns, particularly food service, are also affected. Buyers are reluctant to keep more product than current needs. Current barrel and 640 offerings are ample to meet fair at best interest. Some Swiss producers are offering promotions to stimulate sales. Cheese production is generally steady to slightly heavier with schedules expected to increase over the holiday weekend. Total cheese output, excluding cottage cheese, in selected Midwestern states during February were: Wisconsin 161.6 million pounds, off 2.1% from last February; Minnesota 50.2 million pounds, down 7.2%; Iowa 18.9 million pounds, an increase of 2.9%; South Dakota 10.7 million pounds, up 3.1%.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.4975-1.7200
Brick And/Or Muenster 5#	:	1.6700-1.8225
Cheddar 40# Block	:	1.6150-1.9150
Monterey Jack 10#	:	1.8150-1.9150
Blue 5#	:	1.9675-2.2100
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7400-1.9150
Grade A Swiss Cuts 6 - 9#	:	2.2800-2.4850

## WEST

Process cheese prices are lower while the other types are unchanged. Cheese demand continues to be fair to good, but unsettledness is noted from some buyers. Contacts are expressing concern over the widening spread between barrel and block prices at the CME. Many feel prices for both will continue to decline and the downward sentiment is causing some buyers to curtail buys to near term needs. Mozzarella interest is especially good. U.S. American type cheese production totaled 259.8 million pounds during February, down 2.6% from last year. Swiss production increased 8.9% from a year earlier.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.4500-1.6900
Cheddar 40# Block	:	1.5325-1.7000
Cheddar 10# Cuts	:	1.7500-1.8725
Monterey Jack 10#	:	1.7150-1.8350
Grade A Swiss Cuts 6 - 9#	:	2.3375-2.5000

## FOREIGNTYPE

Prices and the market tone are unchanged. Some additional retail interest was noted for traditional Easter/Passover table cheeses, but overall demand is slow to fair. Stocks are adequate to meet current needs.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	: 5.5000-6.8900	: -0-
Blue	: 2.6400-3.1400	: 1.6850-2.2950
Gorgonzola	: 3.2400-5.9400	: 2.3500-2.4950
Parmesan (Italy)	: TFEWR	: 3.0950-3.1325
Romano (Italy)	: 2.0900-2.9000	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.3575-1.8850
Romano (Cows Milk)	: -0-	: 2.8825-3.1350
Sardo Romano (Argentina)	: 2.6500-3.2900	: -0-
Reggianito (Argentina)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7400-3.1200	: -0-
Swiss Cuts Switzerland	: -0-	: 2.2500-2.5050
Swiss Cuts Finnish	: 2.5900-3.8500	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.0900	: -0-
Gouda, Large	: 2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

\* = Price change.

## FLUID MILK AND CREAM

## E A S T

Following the announcement of the March BFP, Eastern Milk Market Administrators announced changes to their class prices. The March BFP is \$12.81, down \$0.51 from February. In all Eastern orders the May Class I & II prices are down 51 cents. The March Class III prices are 58 cents below February in orders 1, 2, and 4; 51 cents lower in other orders. The March Class III-A is \$12.62 in orders 1 & 2, \$12.64 in order 4, and \$12.67 in all other Eastern orders. The butterfat differential is \$0.135. Milk production is mixed throughout the East. In much of the Northeast, the milk flow is increasing slowly. In Florida, milk output is showing more signs of decreasing. Elsewhere in the Southeast, reports of increases are being offset by reports of slight decreases. Contacts think the flush has been reached in Florida and parts of the Deep South, but most contacts, outside of Florida feel that the flush is still one to three weeks away. Florida's need for milk is down noticeably as school vacations are coinciding with the winter tourists leaving the state. Handlers report sending 58 loads out of state for processing. In other regions, bottled milk demand is mixed, mostly good. Bottlers are stepping up output for Easter and the beginning of Passover. Also, many of them will be down an extra day this weekend. Diversions of surplus milk to manufacturing plants are heavier and most Southern plants are at or very near capacity. Farther north, plants aren't quite so full but peak milk production season has not been reached. Condensed skim sales are spotty, mostly slow. Contracted volumes are moving, but there is little spot interest. Most spot sales are occurring at the lower end of the range. The fluid cream market is a little softer this week, and prices are mostly unchanged. Offerings are more than adequate in most areas. A few scattered reports of good demand and balanced stocks were noted. Production of bottled cream, sour cream, and other high-fat, Class II products are easing now that most orders for Easter and Passover have been filled. Ice cream production and sales, although good, are not as aggressive as last week now that temperatures are more springlike. Cream cheese output is holding at moderate to heavy levels. Churning activity is moderate to heavy.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

## SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. Producing Plants: Northeast	-	1.6500 - 1.8250	
Delivered Equivalent Atlanta	-	1.6000 - 1.8896	M 1.6250 - 1.7250
F.O.B. Producing Plants: Upper Midwest	-	1.6875 - 1.7750	

## PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. Producing Plants: Northeast	-	1.0000 - 1.1700
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## M I D W E S T

## WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
APRIL 3 - 9, 1998	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1997	0

Class I interest was irregular. Retail promotions bolstered sales in instances, but were often slower from institutional accounts where spring breaks reduced school demand. Some retail promotional activity, especially on fluid milk, is scheduled for next week and may

help reduce the congestion at manufacturing plants during the holiday weekend. Manufacturing schedules have increased and are likely to remain heavy into next week. Most manufacturing plants are expected to operate on extended schedules over the holiday weekend to absorb extra milk supplies. Reported manufacturing milk prices are mostly below class/MCP, ranging from flat class to \$1.00 below. Class II products such as sour cream, whipped cream, and dips production was active to fill holiday needs. Ice cream production has been active, though schedules may be reduced somewhat for a longer holiday weekend. Cream prices are generally higher, mostly at the mid to upper end of the reported series. The plan by the Chicago Mercantile to discontinue the cash trading of Grade A butter, the pricing point used by most buyers and sellers of spot cream, has caused some additional discussions and/or "what ifs" to occur. Milk receipts are generally higher with some larger jumps picked up in a few locations. A few farmers have their early oats/seeding sown but widespread fieldwork has been limited by cool, generally wet fields.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	APRIL 2 - 8	PREVIOUS YEAR
SLAUGHTER COWS	\$ 34.00- 40.00	\$ 37.00- 42.00
REPLACEMENT HEIFER CALVES	\$110.00-155.00	\$100.00-165.00

## SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	APRIL 2 - 8	PREVIOUS YEAR
SLAUGHTER COWS	\$ 36.50- 42.00	\$ 37.00- 43.75

## W E S T

Weather patterns continue to hold rain for many areas of California. The wet weather is contributing to sloppy condition in feedlots and is accompanied by cooler temperatures. The impact on milk output is not as great as many people would have thought. There are specific areas and producers that are being affected worse than others, but overall production in the state is trending above year ago levels. Concern is developing over the condition of the hay crop. The rains are preventing harvesting and the crop in many areas is passing maturity. Much of the harvest will be chopped for feed. Hay is having to be purchased locally and regionally for fill-in needs until the new crop is harvested. The lack of export sales has freed up hay stocks and prices are holding mostly steady. Cream demand is fair to good with multiples ranging from 132 to 138. Ice cream usage is indicated to be higher with butter usage, in instances, down following a good call for holiday needs. Ideal weather conditions are allowing for good pasture growth and grazing conditions in the Pacific Northwest. Milk production is higher over most of the region. Hay prices are often lower and good quality hay is available. Some concern has developed over declining solids and fat content of milk in some locations. The heifer market continues to see competition from other areas, especially California. In the northern Mountain States, milk production continues to increase. Idaho output remains very strong compared to last year. Cow numbers and production per cow are both expected to increase this year. No problems are expected in handling milk over the holiday weekend.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 04/09/98 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL**

The price range is unchanged, but the mostly is lower. The market tone remains weak and demand is slow. Offerings of low heat are readily available from most producers and resellers. High heat stocks are tighter. Production levels are heavier at many plants as milk supplies increase seasonally. Central producers continue to offer NDM to the CCC under the price support program. This week's offerings totaled 381,065 pounds. U.S. production of human food NDM during February totaled 96.4 million pounds, up 4.8% from last year but down 7.0% from January. (Combined MN and WI production during February totaled 2,157,000 pounds.) Manufacturers' stocks at the end of February totaled 105.3 million pounds, 47.1% higher than last year and 1.1% more than last month.

Includes EXTRA GRADE and GRADE A, all heat treatments

NONFAT DRY MILK: 1.0200 - 1.0700 MOSTLY: 1.0350 - 1.0400

**DRY BUTTERMILK - CENTRAL**

Prices are steady although the market tone is unsettled. Buying interest is light and discounts can be found from producers and resellers. Contacts stated that as ice cream production increases seasonally, so will demand for buttermilk. Stocks range from moderate to higher. During February, dry buttermilk production totaled 4.8 million pounds, up 3.3% from last year but 14.4% less than January. End-of-month stocks totaled 3.9 million pounds, up 53.4% from a year earlier and 4.3% higher than last month.

BUTTERMILK: .9325 - .9675

**DRY WHEY - CENTRAL**

Prices are lower as the market tone continues to weaken. Overall market activity is slow. Many end users are reluctant to buy in a falling market, but will purchase if the "price is right". Numerous offers can be found throughout the marketplace and prices are negotiable, especially for larger volume deals. New sales occurred at the end of last week and the beginning of this week that allowed some producers to bring inventories back in balance. Production levels are steady to higher. U.S. production of human food, dry whey during February totaled 88.8 million pounds, 8.5% more than last year but 6.5% lower than last month. End-of-February stocks, at 33.8 million pounds, are 17.6% more than last year but down 0.9% from January.

NONHYGROSCOPIC: .2100 - .2400 MOSTLY: .2200 - .2250

**ANIMAL FEED WHEY - CENTRAL**

Prices are steady for all animal feed types. Interest from feed buyers is limited as edible whey prices continue to decline. Hand to mouth buying is common throughout the marketplace. With recently low hog prices, feed sales have been slower. The delactose market is steady. More interest from food processors, rather than feed accounts, has been noted. Inventories are moderate and sufficient for current needs. February U.S. animal feed, dry whey production totaled 5.2 million pounds, 1.3% higher than last year but 20.0% less than January. Month-ending stocks were 3.0 million pounds, 20.2% less than last year but 8.4% higher than last month. Animal feed, reduced lactose and minerals whey production during February totaled 2.6 million pounds, 10.4% more than last year but 3.4% lower than January; while all stocks (animal and human), at 7.8 million pounds, were 11.6% higher than last year.

MILK REPLACER:	.1900 - .2100
STANDARD:	.1700 - .2000
ROLLER GROUND:	.2500 - .2550
DELACTOSE (Min. 20% protein):	.3400 - .3675

**LACTOSE - CENTRAL AND WEST**

The price range is steady, but the mostly is lower. The market undertone is weaker for the second quarter. Domestic demand is fair; export interest is slightly lower. Second quarter contract price offers were met with much resistance from Asia due to continued financial troubles, while other customers cut back on volumes due to heavier than expected ending inventories. As a result of these conditions and lack of economic stability in Japan, sellers agreed on lower contract prices than originally anticipated. However, on a few accounts, slightly higher prices were negotiated. A number of feed grade offerings were reported. Current production levels are steady to higher. U.S. lactose production during February totaled 34.3 million pounds, down 1.1% from last year and 7.2% less than January. End-of-February stocks, at 20.5 million pounds, are 17.8% higher than last year but 2.5% lower than last month.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1800 - .2600 MOSTLY: .2100 - .2200

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

The price range is unchanged, but the mostly is slightly lower. The market undertone is weakening. Demand is fair, at best. Manufacturer offerings and discounts can be found throughout the marketplace. More buying inquiries were reported from feed accounts this week. Production levels are steady. U.S. production of human food WPC during February totaled 18.5 million pounds, a 1.5% decrease from last year and 0.1% less than the previous month. Manufacturers' stocks at the end of February totaled 10.2 million pounds, 43.5% higher than last year but 7.0% less than last month.

EXTRA GRADE 34% PROTEIN: .5700 - .6200 MOSTLY: .6000 - .6050

**NONFAT DRY MILK - WEST**

Nonfat dry milk prices are slightly lower on both price ranges. The market tone remains weak. Contacts are noting the sloppiness and slowness of current market conditions. Low, competitive prices in other regions, the unsettled cheese market, no perceived upward market prospects, ongoing sales to the support program, declining DEIP orders, and the abundance of NDM in the region - all contribute to the weak market. Offerings to the support program are expected to increase in mid-April as DEIP orders are filled and no follow-up orders are placed. As of this week, DEIP allocations remaining are only 1 MT. Milk production is building seasonally in the region. U.S. NDM production in February totaled 96.4 million pounds, up 4.8% from last year but 7.0% lower than January. Stocks at the end of the month were reported at 105.3 million pounds, up 47.1% from last year and 1.1% more than last month. February production in California totaled 37.6 million pounds, up 4.2% from last year, and Washington output totaled 10.3 million pounds, down 20.6% from a year ago.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.0100 - 1.0425 MOSTLY: 1.0200 - 1.0300  
HIGH HEAT: 1.0450 - 1.0550

**DRY BUTTERMILK - WEST**

Western buttermilk prices are higher on the top end of the range and the mostly range is also higher. The market tone is steady to firm. While some higher trades did transact, some higher asking prices were lowered during the week to move additional loads. Other producers are meeting resistance to higher prices. U.S. buttermilk powder production in February totaled 4.8 million pounds, up 3.3% from last year but 14.4% lower than January. Stocks at the end of the month were reported at 3.9 million pounds, up 53.4% from a year earlier and 4.3% higher than January.

BUTTERMILK: .9000 - .9550 MOSTLY: .9100 - .9300

**DRY WHEY - WEST**

The dry whey range is higher, but the mostly range is unchanged. The market tone is steady to firm. Demand remains good, but is described as less active than in recent weeks. The weaker whey markets in other regions are tempering Western prices, but the differentials are not enough to allow whey to be shipped to local customers from other regions. Offerings are increasing from several Western producers. Others are in a sold out position. U.S. edible whey production in February totaled 88.8 million pounds, up 8.5% from last year. Stocks at the end of the month total 33.8 million pounds, up 17.6% from last year. February production in California totaled 9.3 million pounds, -0.5% from last year; Utah, 1.3 million pounds, -2.8%; and Washington, 6.7 million pounds, +73.4%.

NONHYGROSCOPIC: .2150 - .2325 MOSTLY: .2200 - .2250

**CALIFORNIA MANUFACTURING PLANTS**

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended April 3, on powder sales of 10,916,181 pounds f.o.b. California manufacturing plants was \$1.0319 per pound. This compares to 9,272,580 pounds at \$1.0302 for the previous week ending March 27, 1998. Prices for both periods were influenced by the effect of long-term contract sales. Compiled by the Dairy Marketing Branch, California Department of Food and Agriculture.

**NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS**

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

**NONFAT DRY MILK - NORTHEAST and SOUTHEAST**

Prices and the market tone are unchanged. Production levels are steady to increasing as surplus milk volumes increase along seasonal patterns. Producers' stocks vary, but are mostly more than adequate to meet the current, slow demand. Some new DEIP contracts are being filled, but there are instances where producers have completed their DEIP obligations. On April 8, FAS accepted a 707 MT bid for NDM. This acceptance, for all intents and purposes, completed the current program allocations for NDM. (There is one MT left to be filled.) Domestic demand remains sluggish. Production of human food, nonfat dry milk during February 1998 totaled 96.4 million pounds, up 4.8% from February 1997 but 7.0% less than January 1998. Month ending stocks, at 105.3 million pounds, are 47.1% above a year ago and 1.1% more than last month.

Includes EXTRA GRADE and GRADE A, all heat treatments

F.O.B. NORTHEAST: 1.0200 - 1.1100 MOSTLY 1.0300 - 1.0500  
DELVD SOUTHEAST: 1.0550 - 1.0850

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices are steady to fractionally lower and the market tone is steady. Production is steady and plant stocks are quite well balanced. Some producers might term their inventories as tight and they would like to build additional stocks for summer needs. Demand is fair to good. Dry buttermilk production during February 1998 totaled 4.8 million pounds, up 3.3% from February 1997 but down 14.4% from January 1998. Month ending stocks, at 3.9 million pounds, are 53.4% more than a year ago and 4.3% more than last month.

F.O.B. NORTHEAST: .9400 - .9600  
DELVD SOUTHEAST: .9400 - 1.0025

**DRY WHOLE MILK - NATIONAL**

Prices are mostly unchanged and the market tone is steady. Production levels are occasionally lighter. Some producers are making more NDM to clear milk faster while orders at other plants are slowing. Plant stocks are balanced with the slow to fair demand. Dry whole milk production during February 1998 totaled 10.1 million pounds, down 2.3% from February 1997 and 20.9% below January 1998. Month ending stocks, at 6.7 million pounds, are 40.3% above a year ago and 0.9% above last month.

F.O.B. PRODUCING PLANT: 1.3000 - 1.3700

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 1997 THROUGH APRIL 3, 1998  
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	90,600	MT (200,147,807 LBS)
CHANGE	--	2,575	MT (5,676,845 LBS)
WHOLE MILK POWDER	--	7,487	MT (16,505,840 LBS)
Program allocations filled			
CHEESE	--	3,093	MT (6,818,828 LBS)
CHANGE	--	31	MT (68,343 LBS)
BUTTERFAT	--	15,648	MT (34,497,580 LBS)
CHANGE	--	18	MT (39,683 LBS)

Allocations for the DEIP year beginning July 1, 1997, are:  
Nonfat dry milk - 92,217 MT; Whole Milk Powder - 7,487 MT;  
Cheese - 3,510 MT; Butterfat - 34,232 MT.

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are often lower and the market tone is steady to weak. Contacts, particularly traders, report continued limited spot buying interest. On the other hand, producers who are filling contracts report generally good movement and tight to adequate stocks. However, other makers do have powder to move and they are discounting prices to keep powder moving. Production levels are often heavier as more milk is available to cheese plants. Export interest is just fair. Production of human food, dry whey during February 1998 totaled 88.8 million pounds, 8.5% more than February 1997 but 6.5% less than January 1998. Month ending stocks, at 33.8 million pounds, are 17.6% above a year ago but 0.9% below last month.

F.O.B. NORTHEAST: EXTRA GRADE .2200 - .2350  
USPH GRADE A .2400 - .2475  
DELVD SOUTHEAST: .2450 - .2600

**ANIMAL FEED WHEY - NORTHEAST**

Prices remain too few to report. The market tone is unchanged. Animal feed makers and users are not looking for volumes beyond what they have contracted. They feel prices could move lower and are waiting. Offerings are adequate to cover most needs. During February, production of dry, animal feed whey totaled 5.2 million pounds, 1.3% more than February 1997 but 20.0% less than January 1998.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

**EVAPORATED MILK - NATIONAL**

Prices and the market tone are unchanged. Production levels are a little heavier at some plants where extra milk is becoming available. Demand is slow to fair and typical for this time of year. Plant stocks are light to moderate and being replenished. Canned evaporated milk production during February 1998 totaled 29.4 million pounds, 6.7% less than February 1997 and 27.0% less than January 1998. Month ending stocks, at 36.4 million pounds, are 68.7% more than a year ago but 5.1% below last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$22.50 - 33.00  
Excluding promotional and other sales allowances. Included new price announcements.

**CASEIN - NATIONAL**

Casein prices remain unchanged, although the market tone is mixed with a weak undertone. Contacts are stating that they are hearing of lower priced product, but have not yet taken advantage of the offerings. Stocks are readily available from most all sourcing countries. Buying interest is seasonally steady with most needs covered by contracts negotiated on a monthly or quarterly basis.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.1500 - 2.2000  
ACID: 2.0000 - 2.1500

## MARCH AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in March 1998 declined 1 point to 115. Compared with March 1997, the index was down 2 points (1.7 percent). The index of prices received by farmers for dairy products declined 2 points during the month of March 1998 to 111. Compared with March 1997, the index was up 8 points (7.8 percent).

On a 3.5 percent butterfat basis, prices received by farmers in March with changes from February were: for All Milk, \$14.24 per hundredweight (cwt.), down 14 cents; Fluid Grade Milk, \$14.24 per cwt., down 24 cents; and for Manufacturing Grade Milk, \$12.78 per cwt., down 26 cents.

## SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., MARCH 1998 WITH COMPARISONS

STATE	All-milk price <u>1/</u> <u>3/</u>				Milk cows <u>5/</u>		Cows <u>6/</u>		All hay baled <u>7/</u>	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	FEBRUARY		MARCH		MARCH		MARCH		MARCH	
	1998 <u>2/</u>	1997 <u>2/</u>	1998 <u>4/</u>	1997 <u>2/</u>	1998	1997	1998 <u>7/</u>	1997 <u>8/</u>	1998	1997
CA	13.32	12.51	12.97	12.17	PRICES PUBLISHED JANUARY, APRIL, JULY AND OCTOBER		33.50	33.00	121.00	131.00
ID	13.66	12.60	13.38	12.49			33.80	35.90	99.00	116.00
MI	14.82	13.37	14.57	13.48			34.00	37.20	98.00	123.00
MN	14.50	13.14	13.99	13.08			37.00	36.60	82.00	97.00
NY	14.49	12.99	14.32	13.37			---	---	102.00	95.00
OH	14.62	12.92	14.56	13.44			35.00	34.00	119.00	157.00
PA	15.21	13.68	15.26	14.09			34.40	34.80	143.00	120.00
TX	15.18	13.76	15.18	13.72			35.30	36.80	63.00	80.00
WA	14.36	12.99	14.40	13.39			---	---	116.00	120.00
WI	14.28	13.38	14.00	13.42			36.00	38.70	104.00	95.00
U.S.	14.38	13.26	14.24	13.28			35.60	36.90	97.50	108.00

1/ Prices converted to 3.5 percent butterfat. 2/ Partially revised. 3/ Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. 4/ Preliminary. 5/ Animals sold for dairy herd replacement only. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Mid-month price. 8/ Entire month.

MILK AND PARITY PRICE RELATIONSHIPS AND OTHER GENERAL PRICE MEASURES, U.S., MARCH 1998 WITH COMPARISONS 1/

ITEM	MARCH 1997	FEBRUARY 1998 <u>2/</u>	MARCH 1998 <u>3/</u>
<b>PRICES</b> (converted to 3.5 percent butterfat) received by farmers for:			
All milk Dol. per cwt.	13.28	14.38	14.24
Fluid grade milk Dol. per cwt.	13.39	14.48	14.24
Manufacturing grade milk Dol. per cwt.	12.04	13.04	12.78
<b>INDEX NUMBERS</b> for:			
Prices received by farmers for dairy products (1990-92 = 100) Index	103	113	111
Prices paid by farmers for commodities and services, interest taxes, and wage rates (1990-92=100) Index	117	116	115
<b>PARITY PRICE</b> for all milk Dol. per cwt.	29.30	29.10	28.90
<b>PARITY EQUIVALENT</b> price for manufacturing grade milk Dol. per cwt.	26.60	26.45	26.27
<b>MILK FEED PRICE RATIO:</b> Pounds of concentrate ration fed to milk cows equal in value to one pound of milk <u>4/</u>	1.54	1.74	1.71

1/ Parity prices are based on data for the current month. Parity price equivalent during 1998 is 90.9% of the parity price of all milk sold to plants, compared with 90.8% in 1997. 2/ Partially revised. 3/ Preliminary. 4/ Computed by Dairy Division, AMS, USDA; based on concentrate ration value as reported quarterly in "Milk Production", NASS, USDA.

**SOURCE:** "Agricultural Prices," Pr 1 (3/98), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.



## FEBRUARY 1998 DAIRY PRODUCTS HIGHLIGHTS

**BUTTER** production was 102.7 million pounds in February, 5.1 percent below February 1997 and 9.5 percent below January 1998. **AMERICAN TYPE CHEESE** production totaled 259.8 million pounds, 2.6 percent below February 1997 and 8.3 percent below January 1998. **TOTAL CHEESE** output (excluding cottage cheese) was 573.7 million pounds, 0.2 percent below February 1997 and 6.8 percent below January 1998. **NONFAT DRY MILK** production, for human food, totaled 96.4 million pounds, 4.8 percent above February 1997 but 7.0 percent below January 1998. **DRY WHEY** production, for human food, was 88.8 million pounds, 8.5 percent above February 1997 but 6.5 percent below January 1998. **ICE CREAM** (hard) production totaled 63.3 million gallons, 0.1 percent above February 1997 and 8.9 percent above January 1998.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	FEB 1998	PERCENT CHANGE FROM:			PRODUCT	FEB 1998	PERCENT CHANGE FROM:		
	1,000 LBS.	FEB 1997	JAN 1998	YEAR TO DATE 1/		1,000 LBS.	FEB 1997	JAN 1998	YEAR TO DATE 1/
BUTTER	102,704	-5.1	-9.5	-6.9	DRY BUTTERMILK	4,798	3.3	-14.4	---
CHEESE					YOGURT (PLAIN AND FLAVORED)	130,170	2.3	2.5	---
AMERICAN TYPES 2/	* 259,769	-2.6	-8.3	-0.5	CONDENSED WHEY, SOLIDS CONTENT 7/				
CHEDDAR	205,809	-1.1	-10.1	2.5	SWEET-TYPE, HUMAN FOOD	8,443	-19.0	-7.6	---
SWISS	17,110	8.9	-8.3	---	SWEET-TYPE, ANIMAL FEED	1,874	-11.5	-19.8	---
BRICK & MUENSTER	7,601	-0.2	-16.1	---	DRY WHEY PRODUCTS				
CREAM & NEUFCHATEL	39,680	-1.8	-8.1	---	DRY WHEY, HUMAN FOOD	88,796	8.5	-6.5	---
BLUE	3,141	-4.5	5.3	---	DRY WHEY, ANIMAL FEED	5,206	1.3	-20.0	---
HISPANIC	5,700	-2.8	-2.6	---	REDUCED LACTOSE AND MINERALS				
MOZZARELLA	183,363	-0.7	-2.8	-0.1	HUMAN FOOD	5,295	-5.7	-4.9	---
OTHER ITALIAN TYPES	48,976	14.9	-11.7	17.7	ANIMAL FEED	2,550	10.4	-3.4	---
TOTAL ITALIAN TYPES	232,339	2.2	-4.8	3.3	LACTOSE, HUMAN FOOD & ANIMAL FEED	34,337	-1.1	-7.2	---
ALL OTHER TYPES 3/	8,356	10.1	-3.6	---	WHEY PROTEIN CONCENTRATE				
TOTAL	573,696	-0.2	-6.8	1.6	HUMAN FOOD	18,535	-1.5	-0.1	---
COTTAGE CHEESE, CURD 4/	34,348	-3.2	-4.5	---	ANIMAL FEED	3,100	16.7	2.9	---
COTTAGE CHEESE, CREAMED 5/	27,740	-0.2	-3.2	-0.2	FROZEN PRODUCTS			1,000 GALLONS	PERCENT
COTTAGE CHEESE, LOWFAT 6/	27,655	3.5	-1.9	4.2	ICE CREAM (HARD)	63,274	0.1	8.9	-0.4
CANNED EVAPORATED & CONDENSED					ICE CREAM, LOWFAT (HARD)	7,374	-14.4	14.0	---
WHOLE MILK	29,404	-6.7	-27.0	---	ICE CREAM, LOWFAT (SOFT)	16,188	8.8	6.1	---
DRY WHOLE MILK	10,089	-2.3	-20.9	---	ICE CREAM, LOWFAT (TOTAL)	23,562	0.3	8.5	-3.0
NONFAT DRY MILK, HUMAN FOOD	96,432	4.8	-7.0	5.7	SHERBET (HARD)	3,585	-0.7	3.6	1.5
DRY SKIM MILK, ANIMAL FEED	438	39.0	29.6		YOGURT	6,709	-16.5	13.8	-13.1

MANUFACTURERS' STOCKS, END OF MONTH 8/							
PRODUCT	FEB 1998	PERCENT OF:		PRODUCT	FEB 1998	PERCENT OF:	
	1,000 LBS.	FEB 1997	JAN 1998		1,000 LBS.	FEB 1997	JAN 1998
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD	33,809	17.6	-0.9	HUMAN FOOD	10,170	43.5	-7.0
DRY WHEY, ANIMAL FEED	2,952	-20.2	8.4	ANIMAL FEED	1,155	115.1	-4.4
REDUCED LACTOSE & MINERALS--HUMAN & ANIMAL 9/	7,781	11.6	-9.6	CANNED EVAPORATED & CONDENSED WHOLE MILK	36,396	68.7	-5.1
LACTOSE, HUMAN FOOD & ANIMAL FEED	20,529	17.8	-2.5	DRY WHOLE MILK	6,690	40.3	0.9
DRY BUTTERMILK, TOTAL	3,927	53.4	4.3	NONFAT DRY MILK FOR HUMAN FOOD	105,272	47.1	1.1
				DRY SKIM MILK FOR ANIMAL FEED	734	-4.3	-7.0

1/ 1998 cumulative as percent of 1997 cumulative. 2/ Whole milk cheese, including Cheddar, colby, washed curd, stirred curd, monterey and jack. 3/ Does not include Part Skim cheese beginning January 1996 or Hispanic cheese beginning June 1996. 4/ Mostly used for processing into creamed or lowfat cottage cheese. 5/ Fat content 4 percent or more. 6/ Fat content less than 4 percent. 7/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 8/ Stocks held by manufacturers at all points and in transit.

9/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. \*Includes combined Minnesota and Wisconsin production of 115,178,000 lbs.

SOURCE: "Dairy Products," Da 2-6 (4-98), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

## FEDERAL MILK ORDER MINIMUM CLASS PRICE HIGHLIGHTS

**BASIC FORMULA PRICE.** The Basic Formula Price for March 1998 is \$12.81 per hundredweight at 3.5 percent butterfat. The March Basic Formula Price is the February base month Minnesota-Wisconsin (M-W) price of \$13.18 at 3.5 percent minus a change of \$0.37, which is the change in the butter/powder/cheese formula from February to March 1998. The March 1998 Basic Formula Price is \$0.51 less than last month and \$0.32 more than the March 1997 Basic Formula Price. This Basic Formula Price is the Class III price for March 1998 and is to be used in May 1998 for establishing minimum Class I (fluid use) prices and minimum Class II prices under Federal milk orders. To arrive at the minimum Class I price for each market, a Class I differential, ranging from \$1.20 in the Upper Midwest order to \$4.18 in the Southeastern Florida order, is added to this basic formula price. To arrive at the minimum Class II price for all markets, a differential of \$0.30 is added to this basic formula price. For those orders which adjust blend prices for butterfat contents varying from 3.5 percent, the producer butterfat differential per 0.1 percent butterfat is 13.5 cents. **MILK COMPONENT CONTENTS.** For the February 1998 base month M-W price, the butterfat content was 3.85 percent, protein 3.20 percent, and solids-not-fat 8.62 percent. For the March 1998 Basic Formula Price, the butterfat content was 3.84 percent, protein 3.18 percent, and solids-not-fat 8.61 percent.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT*1/														
FEDERAL MILK ORDER MARKETING AREAS 2/	ORDER NUMBER	MARCH								APRIL			MAY	
		PRICE PER 100 POUNDS								PRICE PER 100 POUNDS				
		CLASS I		CLASS II		CLASS III		CLASS III-A		CLASS I		CLASS II	CLASS I	CLASS II
		1998	1997	1998	1997	1998	1997	1998	1997	1998	1997	1998	1998	1998
		DOLLARS								DOLLARS				
New England (Boston)	1 3/	16.49	15.18	13.55	12.24	12.76	12.44	12.62	12.73	16.56	15.70	13.62	16.05	13.11
New York/New Jersey (NY City)	2 4/	16.39	15.08	13.63	12.32	12.84	12.52	12.70	12.81	16.46	15.60	13.70	15.95	13.19
Middle Atlantic (Philadelphia/ Baltimore/Washington, DC)	4 5/	16.28	14.97	13.55	12.24	12.78	12.46	12.64	12.75	16.35	15.49	13.62	15.84	13.11
Carolina (Charlotte)	5	16.33	15.02	13.55	12.24	12.81	12.49	12.67	12.78	16.40	15.54	13.62	15.89	13.11
Southeast (Atlanta/Birmingham)	7	16.33	15.02	13.55	12.24	12.81	12.49	12.67	12.78	16.40	15.54	13.62	15.89	13.11
Upper Florida (Jacksonville/Tallahassee)	6	16.83	15.52	13.55	12.24	12.81	12.49	---	---	16.90	16.04	13.62	16.39	13.11
Tampa Bay	12	17.13	15.82	13.55	12.24	12.81	12.49	---	---	17.20	16.34	13.62	16.69	13.11
Southeastern Florida (Miami)	13	17.43	16.12	13.55	12.24	12.81	12.49	---	---	17.50	16.64	13.62	16.99	13.11
Michigan Upper Peninsula (Marquette)	44	14.60	13.29	13.55	12.24	12.81	12.49	12.67	12.78	14.67	13.81	13.62	14.16	13.11
Southern Michigan (Detroit)	40 6/	15.00	13.69	13.55	12.24	12.81	12.49	12.67	12.78	15.07	14.21	13.62	14.56	13.11
E. Ohio/W. PA. (Cleveland/Pittsburgh)	36	15.25	13.94	13.55	12.24	12.81	12.49	12.67	12.78	15.32	14.46	13.62	14.81	13.11
Ohio Valley (Columbus)	33	15.29	13.98	13.55	12.24	12.81	12.49	12.67	12.78	15.36	14.50	13.62	14.85	13.11

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT*1/														
FEDERAL MILK ORDER MARKETING AREAS 2/	ORDER NUMBER	MARCH								APRIL			MAY	
		PRICE PER 100 POUNDS								PRICE PER 100 POUNDS				
		CLASS I		CLASS II		CLASS III		CLASS III-A		CLASS I		CLASS II	CLASS I	CLASS II
		1998	1997	1998	1997	1998	1997	1998	1997	1998	1997	1998	1998	1998
		DOLLARS								DOLLARS				
Indiana (Indianapolis)	49	15.15	13.84	13.55	12.24	12.81	12.49	12.67	12.78	15.22	14.36	13.62	14.71	13.11
Chicago Regional	30	14.65	13.34	13.55	12.24	12.81	12.49	12.67	12.78	14.72	13.86	13.62	14.21	13.11
Central Illinois (Peoria)	50	14.86	13.55	13.55	12.24	12.81	12.49	---	---	14.93	14.07	13.62	14.42	13.11
S. Illinois/E. Missouri (Alton)	32	15.17	13.86	13.55	12.24	12.81	12.49	---	---	15.24	14.38	13.62	14.73	13.11
Louisville/Lexington/Evansville	46	15.36	14.05	13.55	12.24	12.81	12.49	12.67	12.78	15.43	14.57	13.62	14.92	13.11
Upper Midwest (Minneapolis)	68	14.45	13.14	13.55	12.24	12.81	12.49	12.67	12.78	14.52	13.66	13.62	14.01	13.11
E. South Dakota (Sioux Falls)	76	14.75	13.44	13.55	12.24	12.81	12.49	---	---	14.82	13.96	13.62	14.31	13.11
Iowa (Des Moines)	79	14.80	13.49	13.55	12.24	12.81	12.49	12.67	12.78	14.87	14.01	13.62	14.36	13.11
Nebraska/W. IA. (Omaha/Sioux City)	65	15.00	13.69	13.55	12.24	12.81	12.49	12.67	12.78	15.07	14.21	13.62	14.56	13.11
Greater Kansas City	64	15.17	13.86	13.55	12.24	12.81	12.49	---	---	15.24	14.38	13.62	14.73	13.11
Southwest Plains (Oklahoma City)	106	16.02	14.71	13.55	12.24	12.81	12.49	12.67	12.78	16.09	15.23	13.62	15.58	13.11
Texas (Dallas)	126	16.41	15.10	13.55	12.24	12.81	12.49	12.67	12.78	16.48	15.62	13.62	15.97	13.11
Eastern Colorado (Denver)	137	15.98	14.67	13.55	12.24	12.81	12.49	---	---	16.05	15.19	13.62	15.54	13.11
Western Colorado (Grand Junction)	134	15.25	13.94	13.55	12.24	12.81	12.49	---	---	15.32	14.46	13.62	14.81	13.11
SW Idaho/Eastern Oregon (Boise)	135	14.75	13.44	13.55	12.24	12.81	12.49	12.57	12.58	14.82	13.96	13.62	14.31	13.11
Great Basin (Salt Lake City)	139	15.15	13.84	13.55	12.24	12.81	12.49	---	---	15.22	14.36	13.62	14.71	13.11
Central Arizona (Phoenix)	131	15.77	14.46	13.55	12.24	12.81	12.49	12.57	12.58	15.84	14.98	13.62	15.33	13.11
New Mexico/West Texas (Albuquerque)	138	15.60	14.29	13.55	12.24	12.81	12.49	12.67	12.78	15.67	14.81	13.62	15.16	13.11
Pacific Northwest (Seattle/Portland)	124	15.15	13.84	13.55	12.24	12.81	12.49	12.57	12.58	15.22	14.36	13.62	14.71	13.11
SIMPLE AVERAGE	---	15.57	14.26	13.55	12.24	12.81	12.49	12.65	12.75	15.64	14.78	13.62	15.13	13.11

\* To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. For example, the minimum Class I price in Boston (the New England market) in May 1998 is \$16.05 per 100 pounds or \$1.38 per gallon (\$16.05 divided by 11.63 equals \$1.3801).

1/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order resumed effective June 1, 1996. This assessment applies to all persons who process and market more than 500,000 pounds of fluid milk products in consumer-type packages in the 48 contiguous States and the District of Columbia during the month.

2/ Names in parentheses are principal cities and pricing points of markets.

3/ Zone 1, Boston. Class I price at 201-210 mile zone--72 cents less.

4/ New York City metropolitan area. Prices at 201-210 mile zone: Class I - 72 cents less, Class II - 8 cents less, Class III - 8 cents less, and Class III-A - 8 cents less.

5/ Prices exclude a 6-cent direct delivery differential applicable to milk delivered to Philadelphia.

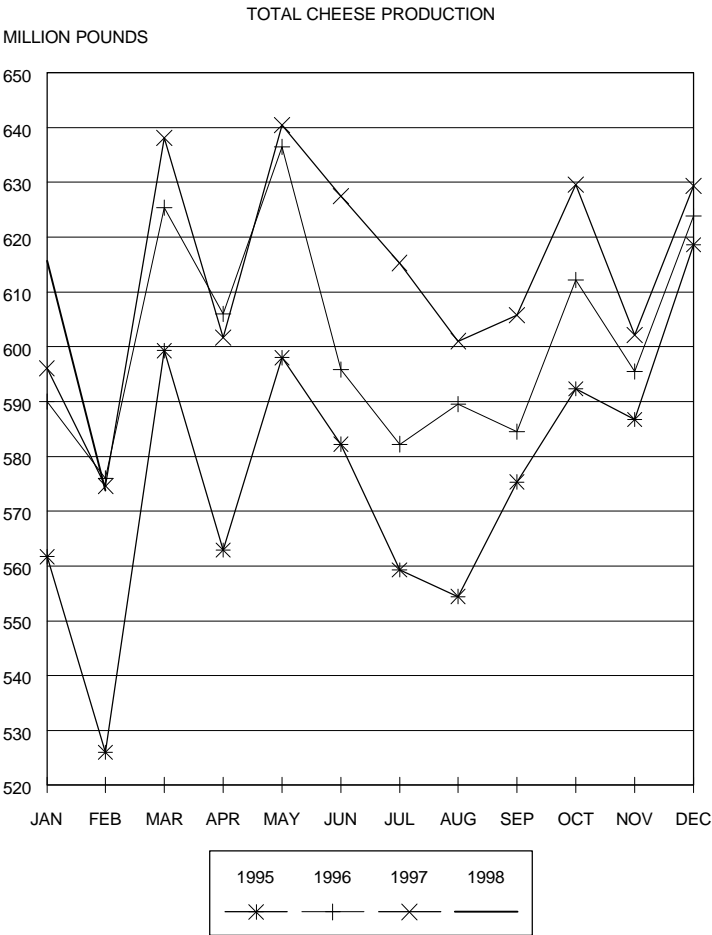
6/ Prices exclude a 10-cent direct delivery differential applicable to milk delivered to Detroit metropolitan area.

MINIMUM FEDERAL ORDER AND ANNOUNCED COOPERATIVE CLASS I PRICES IN SELECTED CITIES <sup>1/</sup>												
CITY	APR 1996			APR 1997			MAR 1998			APR 1998		
	Federal Order	Coop.	Difference	Federal Order	Coop.	Difference	Federal Order	Coop.	Difference	Federal Order	Coop.	Difference
	Dollars Per Hundredweight											
Atlanta, GA	15.67	16.02	0.35	15.54	16.39	0.85	16.33	17.33	1.00	16.40	17.40	1.00
Baltimore, MD	15.62	16.37	0.75	15.49	16.54	1.05	16.28	17.73	1.45	16.35	17.80	1.45
Boston, MA	15.83	16.56	0.73	15.70	16.83	1.13	16.49	17.12	0.63	16.56**	17.04	0.48
Carbondale, IL	14.60	15.85	1.25	14.47	16.59	2.12	15.26	17.16	1.90	15.33	17.25	1.92
Charlotte, NC	15.67	16.32	0.65	15.54	16.85	1.31	16.33	17.33	1.00	16.40	17.40	1.00
Chicago, IL	13.99	15.64	1.65	13.86	16.04	2.18	14.65	16.68	2.03	14.72	16.31	1.59
Cincinnati, OH	14.70	15.35	0.65	14.57	15.92	1.35	15.36	17.11	1.75	15.43	17.18	1.75
Cleveland, OH	14.59	15.10	0.51	14.46	15.66	1.20	15.25	17.00	1.75	15.32	17.07	1.75
Dallas, TX	15.75	15.95	0.20	15.62	15.87	0.25	16.41	16.66	0.25	16.48	16.73	0.25
Denver, CO	15.32	16.03	0.71	15.19	15.34	0.15	15.98	16.13	0.15	16.05	16.20	0.15
Des Moines, IA	14.14	15.29	1.15	14.01	15.53	1.52	14.80	16.23	1.43	14.87	15.52	0.65
Detroit, MI	14.44	15.27	0.83	14.31	15.32	1.01	15.10	16.10*	1.00*	15.17	16.10	0.93
Hartford, CT	15.73	16.46	0.73	15.60	16.73	1.13	16.39	17.02	0.63	16.46**	16.94	0.48
Houston, TX	16.29	16.49	0.20	16.16	16.41	0.25	16.95	17.20	0.25	17.02	17.27	0.25
Indianapolis, IN	14.49	15.52	1.03	14.36	16.08	1.72	15.15	16.99	1.84	15.22	17.06	1.84
Kansas City, MO	14.51	15.44	0.93	14.38	15.85	1.47	15.17	16.55	1.38	15.24	15.84	0.60
Little Rock, AR	15.36	15.36	0.00	15.23	15.48	0.25	16.02	17.02	1.00	16.09	17.09	1.00
Louisville, KY	14.70	15.20	0.50	14.57	15.82	1.25	15.36	16.26	0.90	15.43	16.23	0.80
Miami, FL	16.77	18.25	1.48	16.64	18.96	2.32	17.43	19.89	2.46	17.50	19.72	2.22
Milwaukee, WI	13.90	15.55	1.65	13.77	15.95	2.18	14.56	16.59	2.03	14.63	16.22	1.59
Minneapolis, MN	13.79	14.79	1.00	13.66	15.15	1.49	14.45	15.82	1.37	14.52	15.17	0.65
New Orleans, LA	16.24	16.24	0.00	16.11	16.56	0.45	16.90	17.25	0.35	16.97	17.32	0.35
Oklahoma City, OK	15.36	15.53	0.17	15.23	15.48	0.25	16.02	16.77	0.75	16.09	16.84	0.75
Omaha, NE	14.34	15.27	0.93	14.21	15.68	1.47	15.00	16.38	1.38	15.07	15.67	0.60
Philadelphia, PA	15.68	16.38	0.70	15.55	16.55	1.00	16.34	17.76	1.42	16.41	17.83	1.42
Phoenix, AZ	15.11	15.11	0.00	14.98	14.98	0.00	15.77	15.77	0.00	15.84	15.84	0.00
Pittsburgh, PA	14.59	15.09	0.50	14.46	15.26	0.80	15.25	16.45	1.20	15.32	16.52	1.20
St. Louis, MO	14.60	15.85	1.25	14.47	16.59	2.12	15.26	17.16	1.90	15.33	17.25	1.92
Salt Lake City, UT	14.49	14.64	0.15	14.36	14.51	0.15	15.15	15.30	0.15	15.22	15.37	0.15
Seattle, WA	14.49	14.94	0.45	14.36	14.66	0.30	15.15	15.58	0.43	15.22	15.65	0.43
Spokane, WA	14.49	14.94	0.45	14.36	14.66	0.30	15.15	15.58	0.43	15.22	15.65	0.43
Springfield, MO	14.78	15.18	0.40	14.65	15.60	0.95	15.44	16.44	1.00	15.51	16.51	1.00
Washington, DC	15.62	16.37	0.75	15.49	16.54	1.05	16.28	17.73	1.45	16.35	17.80	1.45
Simple Average	15.02	15.71	0.69	14.89	15.95	1.06	15.68	16.79*	1.11*	15.75	16.72	0.97

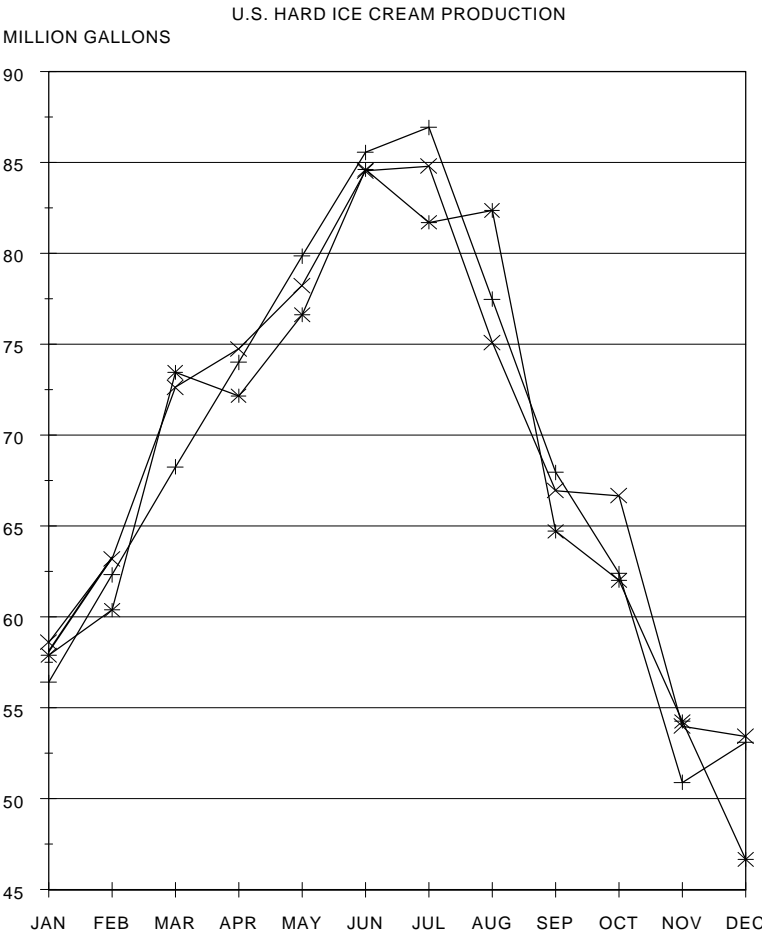
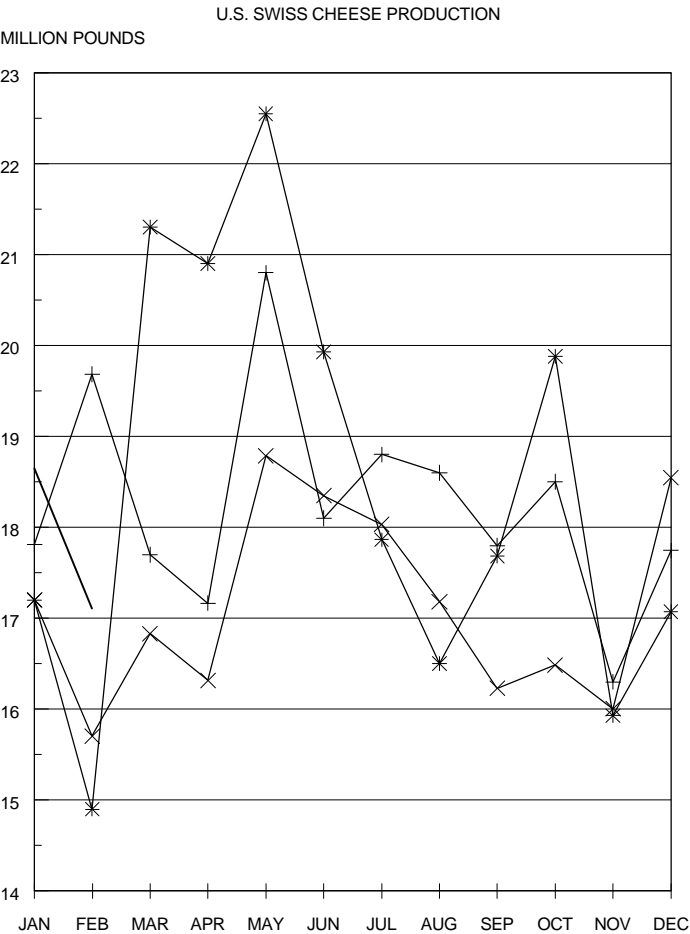
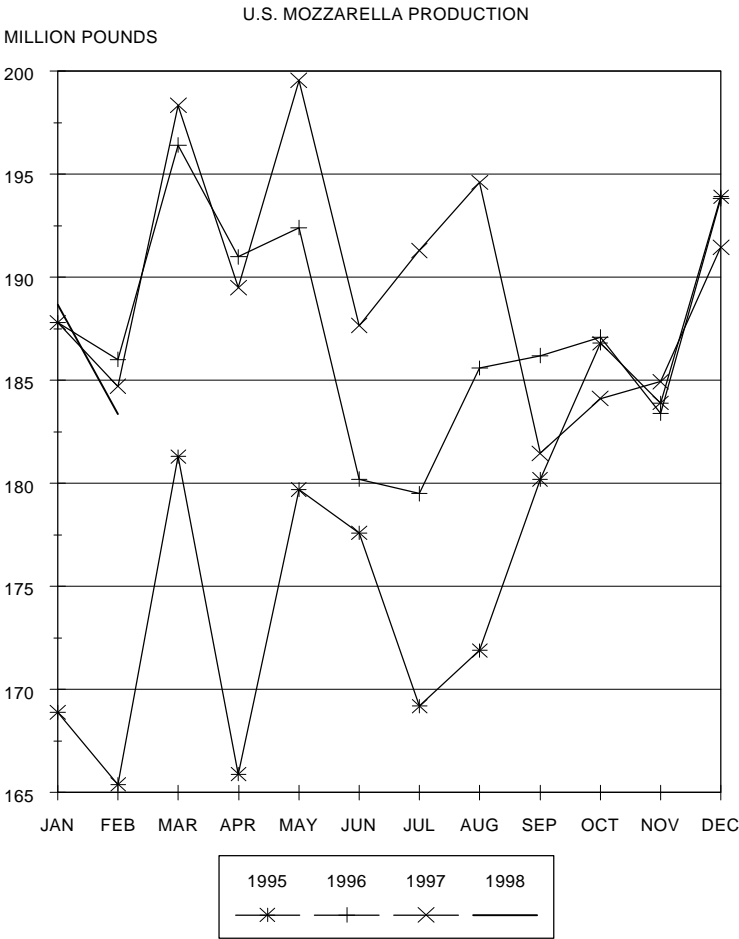
\*Revised.

\*\*NOTE: The Northeast Dairy Compact has established a Class I price level of \$16.94 for the period July 1997 to date. The Compact obligation is \$16.94 less the Federal order Class I price shown for Boston. The effective Class I price level is the Federal order price at location plus the Compact obligation plus the figure shown under the column labeled "Difference".

<sup>1/</sup> Class I prices announced for the beginning of the month by the major cooperative in each city market. These prices may not apply to all of the Class I sales in these city markets. Announced prices may not include handling or service charges applicable to milk from supply plants and competitive credits which may be allowed. These prices have not been verified as having been actually paid by handlers.



NASS DATA, GRAPH BY DAIRY MARKET NEWS



	FOR THE WEEK OF OF APRIL 6 - 10, 1998			CUMULATIVE TOTALS			UNCOMMITTED INVENTORIES	
	TOTAL	CONTRACT	ADJUSTED	SINCE	SAME PERIOD	PERIOD ENDING	SAME PERIOD	
	PURCHASES	ADJUSTMENTS	PURCHASES	10/01/97	LAST YEAR	04/03/98	LAST YEAR	
<b>BUTTER</b>								
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
<b>CHEESE</b>								
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
Process	-0-	-0-	-0-	-0-	483,600	-0-	-0-	
<b>TOTAL</b>	-0-	-0-	-0-	-0-	483,600	-0-	-0-	
<b>NONFAT DRY MILK</b>								
Nonfortified	1,849,240	-0-	1,849,240	45,258,787	-0-	-0-	-0-	
Fortified	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
<b>TOTAL</b>	1,849,240	-0-	1,849,240	45,258,787	-0-	-0-	-0-	

	MILKFAT*	SKIM**		MILKFAT*	SKIM**
	<u>BASIS</u>	<u>SOLIDS</u>		<u>BASIS</u>	<u>SOLIDS</u>
WEEK OF APRIL 6 - 10, 1998 =	0.4	21.5	COMPARABLE WEEK IN 1997 =	0.0	0.0
CUMULATIVE SINCE OCTOBER 1, 1997 =	10.0	526.8	CUMULATIVE SAME PERIOD LAST YEAR =	4.5	4.8
CUMULATIVE JANUARY 1 - APRIL 10, 1998 =	8.2	435.4	COMPARABLE CALENDAR YEAR 1997 =	4.5	4.8

**\*\*Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64**

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
REGION	1997/98	1996/97	1997/98	1996/97	1997/98	1996/97	1997/98	1996/97
MIDWEST	-0-	-0-	-0-	483,600	2,867,168	-0-	6.4	100.0
WEST	-0-	-0-	-0-	-0-	42,281,444	-0-	93.4	0.0
EAST	-0-	-0-	-0-	-0-	110,175	-0-	0.2	0.0
TOTAL	-0-	-0-	-0-	483,600	45,258,787	-0-	100.0	100.0

## DOLLARS PER POUND

NONFAT DRY MILK: Nonfortified \$1.0280; Fortified \$1.0380; Instant \$1.1855

Regions*													U.S. TOTAL		% DAIRY OF ALL	
		1	2	3	4	5	6	7	8	9	10					
1998-Dairy cows	HD (000)	0.3	1.5	5.7	4.8	18.7	3.4	3.0	1.1	10.4	3.3	52.3	685.6	50.0	49.3	
1997-Dairy cows	HD (000)	0.4	1.5	6.2	5.9	23.8	2.9	3.4	1.5	9.2	3.2	58.1	742.3	47.6	47.0	
1998-All cows	HD (000)	0.3	1.6	7.7	14.5	27.1	12.4	17.3	5.9	11.7	6.1	104.6	1,390.5			
1997-All cows	HD (000)	0.4	1.6	8.5	16.8	31.9	15.3	20.0	9.5	11.6	6.5	122.1	1,580.9			

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CUMULATIVE TOTAL CHEESE PURCHASES SINCE 10/1/97 = 43,811,645 CUMULATIVE TOTAL NDM PURCHASES SINCE 10/1/97 = 85,979

[illegible]